



ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
TOWN HALL LYON'S ROOM
6:30 PM 5/4/16

ATTENDEES:

Deyst*	White	Caccavaro*	Kellar*	McKenna*
DeCoursey*	Wallach*	Harmer*	Gibian*	
Tosti*	Foskett*	Bayer*	Duvadie*	
Russell*	Beck*	Jones*	Deshler*	
Franclemont*	Howard*	Fanning*	Carman*	Turkall*

*Indicates present

VISITORS: Town Manager Adam Chapdelaine, Deputy Town Manager Sandy Pooler, ASD Superintendent Kathleen Bodie, Assistant Superintendent Laura Chassen, School Committee Members Jennifer Susse, Len Karden, Bill Hayner; Treasurer Steve Gilligan, ACA Director Linda Shoemaker, ACA Board Member Barbara Costa, Ted Peluso, Steve Liggett

SCHOOL COMMITTEE BUDGET Chapdelaine explained that the Chap 70 appropriation in the Ways & Means budget is larger than expected. According to the best info available, neither the full house, nor the Senate nor the governor is likely to change this number. He had agreed with the Superintendent that the school budget would be based on the actual Chap 70 appropriation. The change to the FinCom Report is Ref 1.

VOTED to reduce the recommended appropriation to the Override Stabilization Fund by \$171,110 and increase the school budget by the same amount. Unanimous.

ART 3 STM SCHOOL CAPACITY EXPANSION: Chapdelaine reported that the School Enrollment Task Force voted 7-2 to renovate the Gibbs School based on the feasibility study from consultant HMFA which estimated the cost of renovation to be much less than the cost of enlarging Ottoson. Foskett & Tosti made up the minority. The School Committee believes Gibbs is a better educational choice. Other considerations were the traffic congestion at Ottoson, circulation difficulties at Ottoson, and impact on Ottoson neighbors. Chapdelaine is working with ACA to find an alternate location. The Superintendent provided an estimate (Ref 2) of the incremental cost of staffing Gibbs with a third of the students compared to staffing a single middle school with all the students. Foskett reviewed the presentation (Ref 3) he made to the Task Force. He computed the 30 year cost of renovating Gibbs to the 30 year cost of enlarging Ottoson. He considered the cost of the bond payments, the lost rental income, and the incremental cost of operating Gibbs. He used conservative interest, inflation and discount rates. The Gibbs option will cost the Town at least \$10m more. Tosti was concerned with the immediate \$0.7m to \$1.4m incremental cost. Bodie noted that the cost of increasing enrollment is not part of her incremental cost since either option would have to pay that. Susse will propose that the School Committee pay part of the incremental cost until the next override. Carman believes the Gibbs option provides the town more flexibility in the face of rising or falling enrollment. (Ref 4). Members asked questions and expressed their concerns.

VOTED 11-8 for renovating Gibbs and urging the School Committee to implement the 6th grade option. The wording of the vote to be presented to Town Meeting is Ref 5.

RESERVE FUND Balance \$422,607

Peter Howard 5/6/16

Ref 1 Education Budget

Ref 2 Memo, Bodie to School Committee, Gibbs School in FY19: ...Incremental Costs

Ref 3 Presentation, Foskett, Gibbs vs Ottoson Analysis

Ref 4 Memo, Carman to FinCom, Recommendation to Support Gibbs Option

Ref 5 ART 3 STM Recommended Vote

21 Education *	2014	2015	2016	2017	\$ change	% change
a. Instructional Service Programs	24,159,609	25,808,350	26,874,139	30,503,176	3,629,037	13.50%
b. Special Education & Pupil Services	8,752,336	9,528,935	9,631,765	10,875,798	1,244,033	12.92%
c. Instructional Support Programs	1,362,709	1,429,534	1,445,367	1,445,418	51	0.00%
d. Management Services	2,539,065	2,629,116	4,708,146	2,978,173	(1,729,973)	-36.74%
e. Operation/Maintenance Programs	5,394,783	5,169,844	4,735,301	5,177,691	442,390	9.34%
f. Student Out of Dist Tuition & Trans	5,466,611	6,164,189	6,179,396	6,192,187	12,791	0.21%
TOTAL	47,675,113	50,729,968	53,574,114	57,172,443	3,598,329	6.72%
	4.51%	6.41%	5.61%	6.72%		

* These appropriations do not include other funds which go directly to the schools without appropriation.

SUMMARY OF FY 2017 EXPENDITURES

Town budgets	61,473,618
School budget	57,172,443
Capital plan	11,192,533
Warrant articles	1,102,224
Minuteman Regional School	3,649,349
Community Pres. Act (Art 57)	1,500,000
Youth Services subsidy	120,000
C of A Trans subsidy	0
MWRA debt service	5,593,112
MBTA assessment	2,857,454
Educ. & Library offset receipts	54,958
Charter/choice tuitions	197,441
Other state assessments	111,417
Reserve for court judgements	100,000
Symmes urban renewal	677,875
Snow & ice deficit	0
Overlay reserve	600,000
Override stabilization fund (Art 56)	2,349,926
TOTAL FY 2017 EXPENDITURES	148,752,350

FY 2017 REVENUES LESS EXPENDITURES

	0
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April 28, 2016

To: Arlington School Committee
From: Kathleen Bodie, Ed. D.
Regarding: Incremental Costs for Gibbs Grade Configurations

Gibbs School in FY19: Potential Grade Configurations and Incremental Costs

The attached spreadsheets share the incremental costs of using the Gibbs to solve our middle school enrollment challenges. Three scenarios present alternative grade configurations and staffing models for an eventual Gibbs School. Following are highlights on the characteristics of the three scenarios.

Sixth grade only model

- Four sixth grade clusters – smaller clusters than for grades 7 and 8 smooths transition from elementary school model
- Replicate all sixth grade substantially separate programs, in addition to co-taught and inclusion programming
- Effective small group special education instruction given focus on sixth grade
- Limited World Language offerings – only two languages in sixth grade
- Most cost effective model
- Highest degree of parity with current Ottoson Middle School programming

Full Staffing Grades Six through Eight Model

- Four clusters, two of which are mixed grade clusters. One potential cluster breakdown is:
 - Sixth grade cluster
 - Sixth/seventh grade cluster
 - Seventh/eighth grade cluster
 - Eighth grade cluster
- No substantially separate programs
- Full staffing of special education co-taught and inclusion program
- Full staffing of specialist subjects
- Second highest degree of parity with current Ottoson Middle School model

Lower Staffing Grades Six through Eight Model

- Four clusters, two of which are mixed grade clusters. One potential cluster breakdown is:
 - Sixth grade cluster
 - Sixth/seventh grade cluster
 - Seventh/eighth grade cluster
 - Eighth grade cluster
- No substantially separate special education programs
- Full staffing of special education co-taught and inclusion program
- Lower staffing of specialist subjects
- Lowest degree of parity with current Ottoson Middle School model

Comparing Full and Lower Staffing Grades Six through Eight

- **Full staffing** preserves integrity of current cluster model. Arlington has determined that the cluster model is the best educational model for this age group; Arlington provides clusters at middle school level, not elementary or high school level
 - Full specialist staffing provides parity with current Ottoson Middle School model in scheduling flexibility to maintain common planning time for cluster teachers
 - Common planning time for cluster teachers focuses on coordinating teaching of cross-curricular skills and sharing knowledge of social emotional growth of students - key benefits of cluster model
- In addition, math intervention continues to be targeted at grade level work as the schedule allows grade level groupings
- **Lower staffing** model reduces integrity of cluster model
 - Lower specialist staffing reduces scheduling flexibility
 - Inability to ensure cluster teacher common planning time
- Math intervention may return to mixed grade cohorts, reducing ability to focus on grade level skill building

Assumes 4 Sixth Grade Clusters

6th Grade Only

Average teacher salary FY19 77,338 Assumes 4% annual increase in average teacher salary
 TA salary FY19 18,041 Assumes 2% annual increase in TA salary
 BSP Salary FY19 26,289 Assumes 2% annual increase in BSP salary

Gibbs Position	FTE	Cost	Ottoson reduction	FTE	Cost	Net change FTE	Net Change Cost
Principal	1	125,000	Assistant Principal	1	92,860	0	32,140
Secretary	1	62,124	Secretary	1	62,124	0	-
Building Subs	2	36,082	Building Subs	1.5	27,062	0.5	9,021
Nurse	1	77,338	Nurse	1	77,338	0	-
In House suspension	1	26,289	In house suspension	0	-	1	26,289
Library	1	21,062	Library	0	-	1	21,062
Instructional Tech Support	0.6	46,403	Instructional Tech Support	0	-	0.6	46,403
Traffic Supervisor	1	8,964	Traffic Supervisor	0	-	1	8,964
English	4	309,352	English	3.5	270,683	0.5	38,669
Math	4	309,352	Math	3.5	270,683	0.5	38,669
Science	4	309,352	Science	3.5	270,683	0.5	38,669
Social Studies	4	309,352	Social Studies	3.5	270,683	0.5	38,669
Guidance/ Social Worker	2	154,676	Guidance/ Social Worker	1	77,338	1	77,338
English Language Learner	0.5	38,669	English Language Learner	0	-	0.5	38,669
Math Intervention	1	77,338	Math Intervention	1	77,338	0	-
Reading Intervention	0.7	54,137	Reading Intervention	0.7	54,137	0	-
Art	1	77,338	Art	0.6	46,403	0.4	30,935
Music	1	77,338	Music	1	77,338	0	-
FACS	1	77,338	FACS	1	77,338	0	-
Physical Education	1.5	116,007	Physical Education	1.5	116,007	0	-
Digital Modeling Lab	2.4	185,611	Technology Education	2.4	185,611	0	-
Technology Engineering	1	77,338	Technology Engineering	1	77,338	0	-
World Language	2	154,676	World Language	2	154,676	0	-
Psychologists	1	77,338	Psychologists	1	77,338	0	-
SpEd Co-taught	1	77,338	SpEd Co-taught	1	77,338	0	-
SpEd Co-taught TA	1	18,041	SpEd Co-taught TA	1	18,041	0	-
SpEd Inclusion	2	154,676	SpEd Inclusion	2	154,676	0	-
SpEd Inclusion TA	2	36,082	SpEd Inclusion TA	2	36,082	0	-
SLC-A (Reach)	1	77,338	SLC-A (Reach)	0.5	38,669	0.5	38,669
SLC-A (Reach) BSP	1	26,289	SLC-A (Reach) BSP	1	26,289	0	-
SLC-B (Summit)	1	77,338	SLC-B (Summit)	0	-	1	77,338

Assumes 4 Sixth Grade Clusters

6th Grade Only

Gibbs Position	FTE	Cost	Ottoson reduction	FTE	Cost	Net change FTE	Net Change Cost
SLC-B (Summit) BSP	1	26,289	SLC-B (Summit) BSP	1	26,289	0	-
SLC-C (Compass)	1	77,338	SLC-C (Compass)	0	-	1	77,338
SLC-C (Compass) TA	1	18,041	SLC-C (Compass) TA	1	18,041	0	-
SpEd Social Worker	1	77,338	SpEd Social Worker	0.5	38,669	0.5	38,669
SpEd Occupational Therapist	0.4	30,935	SpEd Occupational Therapist	0.2	15,468	0.2	15,468
SpEd Physical Therapist	0.2	15,468	SpEd Physical Therapist	0	-	0.2	15,468
Speech/Language Pathologist	0.4	30,935	Speech/Language Pathologist	0	-	0.4	30,935
Total Incremental increase in FY19				11.8	739,381		

Average teacher salary FY19 77,338 Assumes 4% annual increase in average teacher salary
 TA salary FY19 18,041 Assumes 2% annual increase in TA salary
 BSP Salary FY19 26,289 Assumes 2% annual increase in BSP salary

Assumes 4 Clusters

6th-8th Grade Fully Staffed

Assumes 4 Clusters									
6th-8th Grade Fully Staffed									
Gibbs Position	FTE	Cost	Ottoson reduction	FTE	Cost	net change FTE	Net Change	Cost	
Principal	1	125,000	Assistant Principal		1	92,860	0	32,140	77,338 Assumes 4% annual increase in average teacher salary
Secretary	1	62,124	Secretary		1	62,124	0	-	18,041 Assumes 2% annual increase in TA salary
Building Subs	1.5	27,062	Building Subs		1.5	27,062	0	-	26,289 Assumes 2% annual increase in BSP salary
Nurse	1	77,338	Nurse		1	77,338	0	-	
In House suspension	1	26,289	In house suspension		0		1	26,289	
Library	1	21,062	Library		0		1	21,062	
Instructional Tech Support	0.6	46,403	Instructional Tech Support		0	-	0.6	46,403	
Traffic Supervisor	1	8,964	Traffic Supervisor		0	-	1	8,964	
English	4	309,352	English		3.5	270,683	0.5	38,669	
Math	4	309,352	Math		3.5	270,683	0.5	38,669	
Science	4	309,352	Science		3.5	270,683	0.5	38,669	
Social Studies	4	309,352	Social Studies		3.5	270,683	0.5	38,669	
Guidance/ Social Worker	2	154,676	Guidance		1	77,338	1	77,338	
English Language Learner	1	77,338	English Language Learner		0	-	1	77,338	
Math Intervention	1.5	116,007	Math Intervention		1	77,338	0.5	38,669	
Reading Intervention	1	77,338	Reading Intervention		0.7	54,137	0.3	23,201	
Music	1.5	116,007	Music		1	77,338	0.5	38,669	
Physical Education	2.5	193,345	Physical Education		1	77,338	1.5	116,007	
Technology Engineering	1	77,338	Technology Engineering		1	77,338	0	-	
Digital Modeling Lab	0.5	38,669	Digital Modeling Lab		0.5	38,669	0	-	
FACS	1.5	116,007	FACS		0.6	46,403	0.9	69,604	
Art	1.5	116,007	Art		0.6	46,403	0.9	69,604	
World Language	3	232,014	World Language		2	154,676	1	77,338	
Psychologists	1	77,338	Psychologists		0.5	38,669	0.5	38,669	
SpEd Co-taught	3	232,014	SpEd Co-taught		0	-	3	232,014	
SpEd Co-taught TA	3	54,123	SpEd Co-taught TA		0	-	3	54,123	
SpEd Inclusion	3	232,014	SpEd Inclusion		1.5	116,007	1.5	116,007	
SpEd Inclusion TA	3	54,123	SpEd Inclusion TA		1.5	27,062	1.5	27,062	
SLC-A (Reach)	0	-	SLC-A (Reach)		0	-	0	-	
SLC-A (Reach) BSP	0	-	SLC-A (Reach) BSP		0	-	0	-	
SLC-B (Summit)	0	-	SLC-B (Summit)		0	-	0	-	

77,338 Assumes 4% annual increase in average teacher salary
 18,041 Assumes 2% annual increase in TA salary
 26,289 Assumes 2% annual increase in BSP salary

Assumes 4 Clusters

6th-8th Grade Fully Staffed

Gibbs Position	FTE	Cost	Ottoson reduction	FTE	Cost	net change FTE	Net Change Cost
SLC-B (Summit) BSP	0	-	SLC-B (Summit) BSP	0	0	0	-
SLC-C (Compass)	0	-	SLC-C (Compass)	0	0	0	-
SLC-C (Compass) TA	0	-	SLC-C (Compass) TA	0	0	0	-
SpEd Social Worker	1	77,338	SpEd Social Worker	0.5	38,669	0.5	38,669
SpEd Occupational Therapist	0.2	15,468	SpEd Occupational Therapist	0	-	0.2	15,468
SpEd Physical Therapist	0.2	15,468	SpEd Physical Therapist	0	-	0.2	15,468
Speech/Language Pathologist	0.4	30,935	Speech/Language Pathologist	0	-	0.4	30,935
Total Incremental increase in FY19				24	1,445,716		

Average teacher salary FY19 77,338 Assumes 4% annual increase in average teacher salary
 TA salary FY19 18,041 Assumes 2% annual increase in TA salary
 BSP Salary FY19 26,289 Assumes 2% annual increase in BSP salary

Assumes 4 Clusters

6th-8th Grade Lower Staff

Average teacher salary FY19 77,338 Assumes 4% annual increase in average teacher salary
 TA salary FY19 18,041 Assumes 2% annual increase in TA salary
 BSP Salary FY19 26,289 Assumes 2% annual increase in BSP salary

Gibbs Position	FTE	Cost	Ottoson reduction	FTE	Cost	net change FTE	Net Change	Cost
Principal	1	125,000	Assistant Principal	1	92,860	0	0	32,140
Secretary	1	62,124	Secretary	1	62,124	0	0	-
Building Subs	1.5	27,062	Building Subs	1.5	27,062	0	0	-
Nurse	1	77,338	Nurse	1	77,338	0	0	-
In House suspension	1	26,289	In house suspension	0	-	1	1	26,289
Library	1	21,062	Library	0	-	1	1	21,062
Instructional Tech Support	0.6	46,403	Instructional Tech Support	0	-	0.6	0.6	46,403
Traffic Supervisor	1	8,964	Traffic Supervisor	0	-	1	1	8,964
English	4	309,352	English	3.5	270,683	0.5	0.5	38,669
Math	4	309,352	Math	3.5	270,683	0.5	0.5	38,669
Science	4	309,352	Science	3.5	270,683	0.5	0.5	38,669
Social Studies	4	309,352	Social Studies	3.5	270,683	0.5	0.5	38,669
Guidance/ Social Worker	2	154,676	Guidance	1	77,338	1	1	77,338
English Language Learner	1	77,338	English Language Learner	0	-	1	1	77,338
Math Intervention	1	77,338	Math Intervention	1	77,338	0	0	-
Reading Intervention	1	77,338	Reading Intervention	0.7	54,137	0.3	0.3	23,201
Music	1	77,338	Music	1	77,338	0	0	-
Physical Education	1.5	116,007	Physical Education	1	77,338	0.5	0.5	38,669
Technology Engineering	1	77,338	Technology Engineering	1	77,338	0	0	-
Digital Modeling Lab	0.5	38,669	Digital Modeling Lab	0.5	38,669	0	0	-
FACS	1	77,338	FACS	0.6	46,403	0.4	0.4	30,935
Art	1	77,338	Art	0.6	46,403	0.4	0.4	30,935
World Language	3	232,014	World Language	2	154,676	1	1	77,338
Psychologists	1	77,338	Psychologists	0.5	38,669	0.5	0.5	38,669
SpEd Co-taught	3	232,014	SpEd Co-taught	0	-	3	3	232,014
SpEd Co-taught TA	3	54,123	SpEd Co-taught TA	0	-	3	3	54,123
SpEd Inclusion	3	232,014	SpEd Inclusion	1.5	116,007	1.5	1.5	116,007
SpEd Inclusion TA	3	54,123	SpEd Inclusion TA	1.5	27,062	1.5	1.5	27,062
SLC-A (Reach)	0	-	SLC-A (Reach)	0	-	0	0	-
SLC-A (Reach) BSP	0	-	SLC-A (Reach) BSP	0	-	0	0	-
SLC-B (Summit)	0	-	SLC-B (Summit)	0	-	0	0	-

Assumes 4 Clusters

6th-8th Grade Lower Staff

Gibbs Position	FTE	Cost	Ottoson reduction	FTE	Cost	net change FTE	Net Change Cost
SLC-B (Summit) BSP	0	-	SLC-B (Summit) BSP	0	0	0	-
SLC-C (Compass)	0	-	SLC-C (Compass)	0	0	0	-
SLC-C (Compass) TA	0	-	SLC-C (Compass) TA	0	0	0	-
SpEd Social Worker	1	77,338	SpEd Social Worker	0.5	38,669	0.5	38,669
SpEd Occupational Therapist	0.2	15,468	SpEd Occupational Therapist	0	-	0.2	15,468
SpEd Physical Therapist	0.2	15,468	SpEd Physical Therapist	0	-	0.2	15,468
Speech/Language Pathologist	0.4	30,935	Speech/Language Pathologist	0	-	0.4	30,935
Total Incremental increase in FY19				21	1,213,702		

Average teacher salary FY19 77,338 Assumes 4% annual increase in average teacher salary
 TA salary FY19 18,041 Assumes 2% annual increase in TA salary
 BSP Salary FY19 26,289 Assumes 2% annual increase in BSP salary

Assumes 4 Clusters

6th-8th Grade Range of Expenses

Gibbs Positions Full	FTE	Cost	Gibbs Positions Lower	FTE	Cost
Math Intervention	1.5	116,007	Math Intervention	1	77,338
Music	1.5	116,007	Music	1	77,338
Physical Education	2.5	193,345	Physical Education	1.5	116,007
FACS	1.5	116,007	FACS	1	77,338
Art	1.5	116,007	Art	1	77,338
Totals	8.5	657,373		5.5	425,359

Difference 3 232,014

Average Teacher salary calculation

	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Average Teachers Salary	62,294	63,945	65,963	68,571	71,503	74,363	77,338
Percent increase from prior year		2.65%	3.16%	3.95%	4.28%	4.00%	4.00%
TA					17,340	17,687	18,041
						2%	2%
BSP					25,268	25,773	26,289
						2%	2%

Gibbs vs. Ottoson Analysis

C. Foskett

May 2, 2016

Methodology

- Use total construction costs including options on page 2 of each HMFH report, cost section
- Use Town Manager Chapdelaine report on Gibbs Income after debt service
- Use Superintendent Bodie Report on incremental operating costs at Gibbs
- Assume 4% interest rate
- Assume costs inflate at 3.5%
- Discount all costs back to NPV at 5% rate to be conservative
- Compare NPV of the three alternatives

Gibbs Sixth Grade Vs. Ottoson

Gibbs					Ottoson				
Sixth Grade Only		Interest Rate		4.0%			Interest Rate		4.0%
Amount	\$ 17,389,656	Inflation Rate		3.5%	Amount	\$ 19,883,899	Inflation Rate		3.5%
Annual Inremental Cost	\$ 739,381	Discount Rate		5.0%	Annual Inremental Cost	\$ 1,445,716	Discount Rate		5.0%
Year Start	2018				Year Start	2018			

Gibbs Six, Seven, Eight vs. Ottoson

Gibbs					Ottoson				
Six, Seven Eight									
Amount	\$ 20,000,000	Interest Rate	4.0%		Amount	\$ 19,883,899	Interest Rate	4.0%	
Annual Incremental Cost	\$ 1,445,716	Inflation Rate	3.5%		Annual Incremental Cost	\$ 1,445,716	Inflation Rate	3.5%	
Year Start	2018	Discount Rate	5.0%		Year Start	2018	Discount Rate	5.0%	
	Debt Service	Incr. Cost	Lost Income	Total		Debt Service	Modulars	Lost Income	Total
			\$ 76,908						
FY Year					FY Year				
FY2017					FY2017		\$2,500,000		\$2,500,000
FY2018	\$1,156,602		\$ 79,600	\$1,236,202	FY2018	\$1,149,888	\$1,000,000		\$2,149,888
FY2019	\$1,156,602	\$ 1,445,716	\$ 82,386	\$2,684,704	FY2019	\$1,149,888	\$1,000,000		\$2,149,888
FY2020	\$1,156,602	\$ 1,496,316	\$ 85,269	\$2,738,187	FY2020	\$1,149,888			\$1,149,888
FY2021	\$1,156,602	\$ 1,548,687	\$ 88,254	\$2,793,543	FY2021	\$1,149,888			\$1,149,888
FY2022	\$1,156,602	\$ 1,602,891	\$ 91,343	\$2,850,836	FY2022	\$1,149,888			\$1,149,888
FY2023	\$1,156,602	\$ 1,658,992	\$ 94,540	\$2,910,134	FY2023	\$1,149,888			\$1,149,888
FY2024	\$1,156,602	\$ 1,717,057	\$ 97,848	\$2,971,508	FY2024	\$1,149,888			\$1,149,888
FY2025	\$1,156,602	\$ 1,777,154	\$ 101,273	\$3,035,029	FY2025	\$1,149,888			\$1,149,888
FY2026	\$1,156,602	\$ 1,839,354	\$ 104,818	\$3,100,774	FY2026	\$1,149,888			\$1,149,888
FY2027	\$1,156,602	\$ 1,903,732	\$ 108,486	\$3,168,820	FY2027	\$1,149,888			\$1,149,888
FY2028	\$1,156,602	\$ 1,970,363	\$ 112,283	\$3,239,248	FY2028	\$1,149,888			\$1,149,888
FY2029	\$1,156,602	\$ 2,039,325	\$ 116,213	\$3,312,140	FY2029	\$1,149,888			\$1,149,888
FY2030	\$1,156,602	\$ 2,110,702	\$ 120,281	\$3,387,584	FY2030	\$1,149,888			\$1,149,888
FY2031	\$1,156,602	\$ 2,184,576	\$ 124,491	\$3,465,669	FY2031	\$1,149,888			\$1,149,888
FY2032	\$1,156,602	\$ 2,261,036	\$ 128,848	\$3,546,486	FY2032	\$1,149,888			\$1,149,888
FY2033	\$1,156,602	\$ 2,340,173	\$ 133,357	\$3,630,132	FY2033	\$1,149,888			\$1,149,888
FY2034	\$1,156,602	\$ 2,422,079	\$ 138,025	\$3,716,706	FY2034	\$1,149,888			\$1,149,888
FY2035	\$1,156,602	\$ 2,506,851	\$ 142,856	\$3,806,309	FY2035	\$1,149,888			\$1,149,888
FY2036	\$1,156,602	\$ 2,594,591	\$ 147,856	\$3,899,049	FY2036	\$1,149,888			\$1,149,888
FY2037	\$1,156,602	\$ 2,685,402	\$ 153,031	\$3,995,035	FY2037	\$1,149,888			\$1,149,888
FY2038	\$1,156,602	\$ 2,779,391	\$ 158,387	\$4,094,380	FY2038	\$1,149,888			\$1,149,888
FY2039	\$1,156,602	\$ 2,876,670	\$ 163,930	\$4,197,202	FY2039	\$1,149,888			\$1,149,888
FY2040	\$1,156,602	\$ 2,977,353	\$ 169,668	\$4,303,623	FY2040	\$1,149,888			\$1,149,888
FY2041	\$1,156,602	\$ 3,081,560	\$ 175,606	\$4,413,769	FY2041	\$1,149,888			\$1,149,888
FY2042	\$1,156,602	\$ 3,189,415	\$ 181,752	\$4,527,769	FY2042	\$1,149,888			\$1,149,888
FY2043	\$1,156,602	\$ 3,301,045	\$ 188,114	\$4,645,760	FY2043	\$1,149,888			\$1,149,888
FY2044	\$1,156,602	\$ 3,416,581	\$ 194,698	\$4,767,881	FY2044	\$1,149,888			\$1,149,888
FY2045	\$1,156,602	\$ 3,536,161	\$ 201,512	\$4,894,276	FY2045	\$1,149,888			\$1,149,888
FY2046	\$1,156,602	\$ 3,659,927	\$ 208,565	\$5,025,094	FY2046	\$1,149,888			\$1,149,888
FY2047	\$1,156,602	\$ 3,788,025	\$ 215,865	\$5,160,491	FY2047	\$1,149,888			\$1,149,888
FY2048	\$1,156,602	\$ 3,920,605	\$ 223,420	\$5,300,628	FY2048	\$1,149,888			\$1,149,888
			2018 NPV	\$52,123,724				2018 NPV	\$21,227,994

Other Comments

- Sixth only at Gibbs Causes two school transitions for students
- Sixth only programs (especially after school, Spec. Ed.) will be inferior because of resources (Supreme Court: Separate is inherently unequal)
- Additional Operating expenses at Gibbs are NOT debt excluded, and thus will be additive increased enrollment costs within the non-exempt budget
- Town will face additional costs to provide space for services being displaced at Gibbs if Gibbs option is selected

Conclusion

					Extra Gibbs Cost
Gibbs 6	\$33,983,362	Ottoson	\$21,227,994		\$12,755,368

					Extra Gibbs Cost
Gibbs 6,7,8	\$52,123,724	Ottoson	\$21,227,994		\$30,895,730

- The Gibbs Option is between \$12.7 million and \$30.9 million more expensive than the Ottoson Option
- The Gibbs Option additional costs are not debt excludable and pressure the non-exempt budget
- These variable costs pushed the closing of five schools in the 1980's; they cannot be ignored now

Fellow Finance Committee Members:

My recommendation is for the Finance Committee to support bringing the Gibbs Junior High back online as a 6th grade only middle school. I have documented my rationale below.

1950 – 2015

A review of the last 65 years of Arlington school enrollment proves why we, as the financial guardians of the taxpayers, need to approach this challenge both quantitatively and strategically.

A November 15, 2015 Arlington Advocateⁱ column reported that in 1955 Arlington had 6,500 students enrolled in its public schools, representing enrollment growth as the “baby boomer” generation was of school age. Comparing this information to the Capital Planning Committee’s 2008 “Buildings Used by the Town of Arlington”ⁱⁱ report, it becomes clear that the response to this population growth was to open several new K-6 elementary schools, including the Bishop (1950), Dallin (1956), Thompson (1956), and Stratton (1962). Arlington’s school infrastructure peaked with 14 schools – 11 elementary, 2 junior high schools and 1 high school. By the 1980’s, with the school age population in decline, the decision was made to close 4 elementary schools (Locke, Cutter, Crosby and Parmenter), and the smaller of the 2 junior high schools (Gibbs). By the year 2000, when the town was executing on its elementary school rebuild campaign, Arlington’s enrollment had decreased to 4,200ⁱⁱⁱ students, where it was expected to stay over the long-term. These were the enrollment numbers that the elementary school rebuild effort were based. By October 2010, when enrollment had grown to 4,800^{iv} students, the town embarked on the Thompson rebuild project, designing a new elementary school with a targeted enrollment of 380 students even though the Thompson enrollment was 335 at that time. It was expected that the additional 45 students would be brought to Thompson through redistricting. In October 2015, when school enrollment numbers were tabulated, Arlington had an in-district enrollment nearing 5,300^v students, including 425 students at the Thompson, with the updated enrollment projection forecasting that school enrollment could reach 6,000^{vi} students over the next decade. This projection is made before taking into account any major development, including a potential Mugar 40B₂ project in East Arlington.

Clearly, it’s difficult to predict the future, so our decision-making must be *strategic* and allow for *flexibility* as school enrollment levels change. While I know it’s difficult to envision school enrollment receding, it will, as seen in Wellesley, MA, where after experiencing a 14.3% increase in population from 2003 to 2014, they are now anticipating an 11.6% decrease in enrollment over the next decade^{vii}.

Why the Gibbs?

If the Finance Committee chooses the Ottoson Middle School addition, it’s endorsing the building of a structure that can only be a middle school. While this may seem fiscally prudent in the year 2016 due to a perceived lower cost, it’s a fundamentally flawed strategy because there’s an underlying assumption that school enrollment will remain consistent for the next 30 years at both a town-wide and elementary school level, even though there’s no evidence to support this and history, as previously stated, proves otherwise. If twenty years from now our town-wide enrollment recedes and Ottoson returns to a range of 950 – 1,050 students, we’re now heating, maintaining, cleaning, and paying for a 500 student wing that is empty.

By contrast, Gibbs provides multiple points of *flexibility*:

- It will immediately provide relief at the middle school level, bringing the Ottoson back within its designed range.
- If in 15 to 30 years, town-wide middle school enrollment decreases to 950 - 1,050 students but East Arlington’s enrollment continues to grow (due to the Mugar development or unforeseen circumstances), the Gibbs could become a K-5 elementary school at relatively limited cost.
- If in five years enrollment starts to grow at the levels of the first McKibbin study^{viii}, the town has the *flexibility* to convert the Gibbs to an elementary school and move the 8th grade up to a newly renovated Arlington High School.
- If enrollment goes down town-wide including East Arlington, the Gibbs could be returned to surplus.

Why the 6th Grade Only at Gibbs

As shown in April 28, 2016 *Incremental Costs for Gibbs Grade Configuration* memo provided by Superintendant Kathleen Bodie (and forwarded to you by Chair Al Tosti), the implementation of a 6-8 Gibbs middle school could add upwards of \$1.5 million in incremental costs to the school budget, versus a 6th grade only Gibbs, where the upward incremental costs would be \$740,000. Even though I believe these costs are overly conservative and likely to come in lower than projected, they still represent a material difference at a time when the school department is indicating that their budget faces significant pressures. The Superintendent's FY2017 budget that was delivered to the Finance Committee in February 2016 contains a sixteen page summary, totaling \$2.4 million, of items that the district wanted to fund but could not due to the budgetary constraints caused by enrollment growth^{ix}. The description of each unfunded item makes it clear that school administration feels each of these items is essential, so it would be reckless for the Finance Committee to endorse a plan that would require the school department to cut existing services by \$1.5 million dollars. Alternatively, with knowledge that the Selectmen are about to run the proverbial "gauntlet" of overrides and debt exclusions between now and June 2020, it would be irresponsible to further strain our long-term operating budget^x by increasing the school budget to cover an incremental cost increase of this size, moving closer the timing of our next override to June 2019, after the 2016 debt exclusions for Minuteman, Gibbs, Thompson, and AHS phase 1, and the June 2018 debt exclusion to rebuild Arlington High School.

Gibbs Incremental Costs

I continue to view the projected incremental costs for a Gibbs 6th grade as a worst case scenario that are likely overstated. As shown in the chart below, the majority of enrollment growth to date has occurred at the elementary school level, requiring additional dollars to be appropriated, and subsequently expended at the elementary schools.

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
Total: K-5	2,504	2,566	2,588	2,726	2,827	2,868	15%
Total: 6-8	1,051	1,026	1,028	1,054	1,107	1,127	7%
Total: 9-12	1,196	1,218	1,233	1,185	1,217	1,253	5%
Total: PK-12	4,751	4,810	4,849	4,965	5,151	5,248	

Over the next decade, it's projected that all of the net school enrollment growth will be at the middle school and high school level as the large cohorts currently at the elementary school level move up to the middle and high school, and are replaced at the elementary level by equivalent sized (but still large) cohorts.

	2016-17	2017-18	2018-19	2019-20	2020-21	Growth %
Total: K-5	2,914	2,949	2,990	3,008	2,993	
Total: 6-8	1,210	1,256	1,286	1,289	1,308	
Total: 9-12	1,245	1,306	1,360	1,404	1,479	
Total: PK-12	5,369	5,511	5,636	5,701	5,780	

	2021-22	2022-23	2023-24	2024-25	2025-26	Growth %
Total: K-5	2,997	2,982	2,966	2,938	2,914	0%
Total: 6-8	1,348	1,378	1,403	1,394	1,401	16%
Total: 9-12	1,520	1,543	1,556	1,595	1,623	30%
Total: PK-12	5,865	5,903	5,925	5,927	5,938	

From a budgetary perspective, this means that most of the future dollars appropriated to the school department under the Growth Factor formula will be used to add middle and high school services, which should include the incremental cost of \$155,000 to add .5 clusters to 6th grade.

I would also expect the \$294,000 of special education incremental cost to be a conservative estimate. Certain positions will need to be replicated at both schools if daily instruction is required with the student, but other positions such as PT, OT, Speech and Social Worker can be scheduled where the professional works in more than one building during the week, thus eliminating the duplication of cost unless the new dollars are the result of an increase in 6th grade populations, at which point they are an element of the Growth Factor.

Lastly, I would expect the same concept above to reoccur in some of the remaining positions, which currently have an incremental cost of \$290,000.

Projecting Costs over 30 Years

At the Enrollment Task Force Meeting last night, a handout was prepared by the proponent of selecting the Ottoson over Gibbs. Within the packet of information was a 30 year cost analysis for the Ottoson addition, and both Gibbs solutions. While the analysis appears clear and convincing that choosing the Ottoson over Gibbs would save the taxpayer \$12.5 million in net present value dollars, it fails to account for the different variables that I noted earlier. Under each one of those variables, the Gibbs becomes the better option:

- If the Gibbs is returned to surplus after 20 years, the entire incremental cost and lost income columns for Gibbs are removed, but you would now need to add incremental costs to maintain a vacant Ottoson wing (custodial, heating, maintenance) to that analysis, which would tip the economics toward choosing the Gibbs.
- If enrollment moved in a direction we were not expecting and we needed to repurpose the Gibbs as a different building (another East Arlington elementary school), it would be much more cost effective than the Ottoson scenario.

ⁱ <http://arlington.wickedlocal.com/article/20151115/news/151117216>

ⁱⁱ <http://www.arlingtonma.gov/home/showdocument?id=10338>

ⁱⁱⁱ <http://www.arlington.k12.ma.us/administration/redistricting/pdfs/redistrictingenrollprojcapacityanalysispres12-13-11.pdf>.

^{iv} Arlington Public Schools Official Enrollment Report as of 10/1/2010

^v <https://www.arlingtonma.gov/home/showdocument?id=26967>

^{vi} <http://www.arlingtonma.gov/home/showdocument?id=28616>

^{vii} <https://www.arlingtonma.gov/home/showdocument?id=27003>

^{viii} <http://www.arlingtonma.gov/home/showdocument?id=26965>

^{ix} <http://www.arlington.k12.ma.us/administration/budget/fy17/fy17superproposedbudget02-11-16.pdf>

^x <http://www.arlingtonma.gov/home/showdocument?id=29675>

AI

VOTED: That the Town appropriate and borrow the sum of \$2,550,000 for the architectural design, engineering, and project management of the Gibbs School building, located at 41 Foster Street, Arlington, Massachusetts 02474, and authorize the Treasurer with the approval of the Selectmen, to issue any bonds or notes that may be necessary for that purpose, as authorized by General Laws Chapter 44, § 7, or any other general or special law, provided, however, that this appropriation and debt authorization be contingent upon passage of a Proposition 2½ debt exclusion referendum under General Laws Chapter 59, § 21C (k).